

## All Members

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### GUIDANCE FOR DEALING WITH INSURANCE ASSESSORS

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To maximise your opportunity to secure repair work while protecting your rights to make a claim for remedy against an insurer for breach of the Code, and/or breach of the unfair contract terms legislation, the following steps may be taken:

#### INTRODUCTORY ESSENTIALS

Read:

- The [Motor Vehicle Insurance and Repairer Code of Conduct \(the Code\)](#) before interacting with the insurer or before having a detailed conversation with the assessor.
- [AURANN001 - Estimate & Quote Automotive Body Repairs.](#)
- [AURVNA003 - Review Vehicle Repair Quotation.](#)
- The AMBRA Shop Rate Calculator can be downloaded to your desktop [by taking this link.](#)

#### IMPORTANT

If you have been involved in a legal action or court proceedings regarding repair work with an insurer, you should not use this document without seeking advice from your legal representative at first.

If, however, you have not been involved in any legal action, nor has your customer, this guidance will assist you in managing your working relationship with an insurer in accordance with the Code.

Ensure that the estimate skills and methodology you apply is consistent for all types of estimating work you do (i.e. your realistic time estimates and realistic rates are consistently applied for 'driver at fault' and 'driver not at fault' repair work).

#### DOES THE OWNER'S INSURANCE POLICY CONTAIN "CHOICE OF REPAIRER PROVISION"?

Establish whether the owner of the vehicle (the Owner) has a 'choice of repairer' provision in their insurance policy by asking the Owner to check their policy for a 'choice of repairer' provision.

Have the Owner advise their insurer that they want to arrange their own repairs.

The insurer may then ask the Owner to obtain a couple of estimates. Tell the Owner that they DO NOT NEED TO DO THIS – IT'S THEIR CHOICE!

If the Owner is happy with you as their 'choice of repairer', they should be firm and resist the insurer's pressure to comply with the request for more estimates. This is a Text Block. Use this to provide text...

## **YOUR ESTIMATE AGAINST THE INSURER'S PREFERRED QUOTING METHODOLOGY**

- Prepare your estimate for automotive body repairs by basing your calculations on realistic time and realistic shop rates.
- Your estimate should be presented in monetary value and if questioned your estimate should be backed up by your repair time and shop rate calculations.
- If the assessor insists that you (the Repairer) use the insurer's preferred quoting methodology, state clearly that you have a right to negotiate with the insurer about (1) using or not using the insurer's '*preferred quoting methodology*', and/or (2) the insurer's calculated 'labour' rate being pushed on you.
- If the assessor does not want to negotiate about these matters, the Repairer has a ground to ask the insurer (possibly via VACC) to effect a change in the assessor's response to the Repairer's negotiation request or even to the Repair Authority to ensure that the insurer complies with the [unfair contract terms legislation](#); and/or whether the insurers times and rates model meet regulatory requirements as authorised by ACCC.
- Make it clear also that you want to apply your enterprise true hourly rate.
- Attempt to get from the assessor an agreement and have the terms of the current terms of authority altered to suite that agreement.
- If agreement is not forthcoming, ask the assessor: Are you telling me it is a '*take it or leave it offer*'? Probably the answer will be 'yes' (write down the assessor's response, the time and date of the conversation). This response from the insurer, again, may be in breach of [unfair contract terms legislation](#).
- Agree to disagree on whose calculation methodology would be used but do not declare that you do not want the work. Ask them to submit their assessment and say that you will go from there.
- The insurer should then send an assessor to assess the vehicle. They should conclude the assessment within 5 days from the time you submit your estimate.
- When the assessor presents their assessment and they say that your estimate is too high or uncompetitive, be polite and say that your times are real and that your rate is derived from a bottom up approach that establishes the shop hourly rate on the basis of total expenses.
- Let the assessor know that you object to using their preferred methodology and how it is being pushed on you with a fair amount of duress.
- Accept the offer as the 'undisputed amount' and that you stand by your estimation methodology.
- Make a further objection that you don't believe they have followed the industry standard for reviewing your vehicle repair estimate but you will get on with the repair job.
- Ask the vehicle owner to consider engaging an Independent Assessor to determine the extent of the vehicle damage and to independently assess the cost of repairs.
- Do this for all claims you are concerned about.
- Keep in contact with the VACC if you have payment or other Code related issues.

## **WHEN AT THE END OF THE ESTIMATE, REPAIR AND AUTHORISATION PROCESS**

- After receiving payment for the undisputed amount, submit a "Final Repair Invoice" (supplementary invoice). This maybe the amount which is calculated by subtracting the undisputed payment from the sum the Independent Assessor validated as being a realistic cost of repairs.

- If the Final Repair Invoice (supplementary amount) is denied, or not paid within 30 days, lodge a dispute under clauses 1.1 (b); Clause 2 (Unfair Contract Terms Legislation); Clause 4.2 (b) (ii); and Clause 8.2.
- It is probable your dispute will go through to mediation and your information records such as your original estimate, the assessor's report/assessment; the independent assessors report and their review of your estimate will all help to argue the fair and reasonable "disputed amount" you ought to be paid.

**Be aware:** There is no guarantee of success through disputes under the Code. Code disputes generally follow a three-stage process of internal dispute resolution, mediation, determination. If an insurance company is not prepared to reach agreement in the first two stages, then determination might be necessary. Determination is like a court process in that it takes the control of the outcome out of the hands of the parties and therefore there is no guarantee that either or both parties will be satisfied with the outcome.

**Any advice and information on this guidance is of general nature only, and not legal advice, and this information has been prepared without considering your circumstances and needs. Before acting on any information on this guidance, you should assess and if necessary seek legal advice on whether the application of this guidance is appropriate in your situation and in your business needs.**

Yours sincerely

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